

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1279-01  
Bill No.: HB 494  
Subject: Agriculture and Animals; Counties; Environmental Protection; Natural Resources  
Department  
Type: Original  
Date: March 13, 2003

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### FISCAL ANALYSIS

#### ASSUMPTION

Officials from the **Department of Agriculture, Office of State Treasure, Division of Budget and Planning and State Courts Administrator** assume no fiscal impact to their agency.

Officials from the **Department of Health** assume there would be a fiscal cost impact; however, because the volume and complexity of local proposals – which is needed to establish costs – cannot be predicted, an actual fiscal impact could not be estimated. The Department of Health and Senior Services has conferred with the Department of Natural Resources (DNR) on this matter, but neither Department is able to formulate any fiscal calculations. Also, due to the differences in local political compositions of other states, a comparable cost estimate using that approach could not be conducted.

**Oversight** assumes the cost of compliance with this proposal is unknown and would be subject to appropriations through the normal budget process.

Officials from the **Department of Natural Resources** assumes any county, township, or other form of local government to impose regulations or local controls on the establishment, permitting, design, construction, operation, and management of any class I or II concentrated

ASSUMPTION (continued)

animal feeding operation. Those regulations or local controls may be stricter than what is in the state statute only if such controls are based on reasonably available empirical peer reviewed scientific and economic data that clearly documents the need and cost effectiveness. Prior to implementation, any stricter controls adopted by a local governing body must be approved by the Clean Water Commission (CWC) and the Department of Health and Senior Services.

The department assumes that the amount of time to review any regulations or local controls submitted to the CWC that are stricter than the state statutes would not be significant. However, if the workload exceeds our expectations then we would need to request additional resources.

In addition, the proposed legislation changes the definition of a “flush system”. This change does not affect any of the facilities currently regulated under this legislation. Therefore, the department will not be impacted by this provision.

Any corporation or cooperative engaged in farming is limited in any state tax credit, deduction, state grant, loans, or other financial or economic assistance, unless a family farm receives such assistance. Since this provision does not impact the departments authority, the department will not be impacted.

The proposal changes the frequency of the owner or operator to inspect the structural integrity of any lagoon from at least every twelve hours for all lagoons to at least every twelve hours for only lagoons with a water level less than eighteen inches below the emergency spillway. Since this provision does not change the departments authority, the department will not be impacted.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
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\$0

\$0

\$0

#### FISCAL IMPACT - Small Business

Yes, Class IB and IC would not have to notify the department, county government and all adjoining property owners within specified distances prior to filing an application to acquire a construction permit.

#### DESCRIPTION

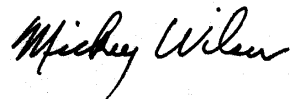
This bill repeals all provisions of Chapter 640, RSMo, Department of Natural Resources, relating to concentrated animal feeding operations and reenacts the provisions in Chapter 644, Water Pollution, with the following changes:

- (1) The Missouri Clean Water Commission is to promulgate rules regulating the establishment, permitting, design, construction, operation, and management of Class I concentrated animal feeding operations;
- (2) Regulatory or local controls imposed by any form of local government concerning the establishment, permitting, design, construction, operation, and management of any Class I or Class II concentrated animal feeding operation must be consistent with the provisions of the bill, except local governing bodies may impose stricter controls based on empirical peer-reviewed scientific and economic data that clearly document the need and cost effectiveness for the more restrictive provisions;
- (3) Any corporation or cooperative engaged in farming will not be eligible for any state tax credits, deductions, state grants, loans, or other financial or economic assistance, unless a family farm or a family farm corporation receives the same assistance. Agricultural processing or food processing facilities are not restricted by the provisions of the bill; and
- (4) The requirement for Class I concentrated animal feeding operations to give notice of application to the county governing body and adjoining property owners within one and a half times the maximum buffer distance for the size of the proposed operation is deleted.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Attorney General  
Department of Agriculture  
Department of Natural Resources  
Department of Health  
Office of State Treasurer  
Office of Administration  
State Courts Administrator

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Director  
March 13, 2003